

Definitions:

Dwelling, multiple-unit: A building constructed and designed for three or more dwelling units, where the dwelling units share a common separation such as a ceiling, wall, etc. (including, without limitation, the wall of an attached garage or porch) and where access cannot be gained between the units through an internal doorway, excluding common hallways.

Dwelling, townhouse: A series of two or more attached dwelling units held in individual ownership.

Dwelling, single-unit: A building constructed and designed for one dwelling unit that is detached from any other dwelling unit.

Dwelling, two-unit (duplex): A building constructed and designed for two dwelling units, where the dwelling units share a common separation such as a ceiling, wall, etc. (including, without limitation, the wall of an attached garage or porch) and where access cannot be gained between the units through an internal doorway.

Guest: A person or persons using a short-term rental for only a short period of time or a brief stay, such as the traveling public.

Guest home, owner-occupied: For the purposes of this section, a residence that is lived in by the owner or a long-term tenant for the majority of a calendar year (180 days or more), that is also used for part-time short-term rentals.

Long-Term Tenant: A person who occupies land or property rented from a property owner for 30 days or longer.

Short-Term Rental: the renting, or offer to make available, (by way of a rental agreement, lease, license or any other means, whether oral or written) for compensation or consideration, of residential property, a dwelling unit, or a portion thereof, for a period of less than 30 consecutive days to a guest or guests.

Short-Term Rental Unit: A residential dwelling unit, or portion of such a unit, that is rented for compensation or consideration for less than 30 days at a time; does not include dwelling units owned by the federal government, state, City, or any of their agencies, or facilities licensed by the state as health care facilities.

Tourist home: A private home or condominium that is not occupied by an owner or manager and that is rented, leased, or furnished in its entirety to guests on a daily or weekly basis.

A. Purpose

The purpose of the short-term rental permit program is to facilitate the permitting of short-term rental units to allow for varied accommodations and experiences for visitors when short-term rentals can be provided in a manner that retains the character of the neighborhoods in which they are located.

B. Applicability; Permit and Business License Required

1. The short-term rental regulations adopted in 2020 are intended to be preliminary in nature to allow the City of Billings to both introduce the concept of legal short-term rentals to the community and understand the potential scope and impacts of short-term rentals as a legal use. The City anticipates refining these regulations over time to develop a set of standards with longer-term applicability.

2. It shall be unlawful for any person to operate any guest home or tourist home without a valid short-term rental permit, as approved pursuant to Section 27-1621, [application process included below, will be moved to 27-1600, Administrative Procedures] and a business license.
3. The short-term rental permit is issued to the property owner and does not run with the property. The permit shall not be transferred or assigned to another individual, person, entity, or address but may be managed by a third party on behalf of the owner.
4. A short-term rental permit shall only be issued to:
 - a. A natural person whose name appears on the deed of the dwelling unit or property;
 - b. A trust, if the beneficiary of the trust is a natural person; or
 - c. A corporation registered with the State of Montana.
5. Nothing in this section shall limit the ability of a property owner, CC&Rs, homeowners' association or similar association from prohibiting or further limiting the short-term rental of property where the authority to do so exists.
6. Nothing in this section shall prohibit the operation of a hotel, motel, boarding house, or bed and breakfast inn where such use is permitted.
7. The issuance of a short-term rental permit allows the property to be rented to either a single guest or multiple guests with a maximum limit of two guests per bedroom.

C. Where Permitted

Short term rentals may be permitted pursuant to the following standards:

1. Habitable Structure Required

Sleeping quarters for short-term tenants shall be located in a habitable structure and shall not be located in:

- a. Non-residential areas within buildings or accessory structures (e.g., shed, garage) that do not contain finished living space;
- b. Commercial (office/retail) or industrial (warehouse) spaces; or
- c. Outdoors in a temporary structure (e.g., tent) or in a recreational vehicle or travel trailer.

2. N1, N2, N3, and RMH Districts:

- a. Type of Permits: Both guest homes and tourist homes are permitted.
- b. Maximum number of short-term rental permits: One short-term rental permit per dwelling unit with a maximum of two short-term rental permits located on a property.
 - i. If a property contains both a principal single-unit dwelling unit and an accessory dwelling unit, only one unit may be permitted for use as a short-term rental.
 - ii. If a property contains multiple single-unit or two-unit dwellings all in single ownership, the two permit per property limit shall apply per property.
 - iii. If a property contains multiple detached dwelling units, or townhomes all in separate ownership (e.g. condominium, patio home, townhome), one permit per dwelling unit may be issued.

3. NX1, NX2, NX3, NO, NMU, CMU, DX, CBD, CX, EBURD, P2, and P3 Districts:

- a. Type of Permits: Both guest homes and tourist homes are permitted.
- b. Maximum number of short-term rental permits:
 - i. Single-unit and two-unit dwellings shall comply with section C.2.
 - ii. Townhouses: One permit per dwelling unit.
 - iii. Multiple unit dwelling all in single ownership: Permits may be issued for up to 20% of the units. Properties that contain five or more stacked units in one building must be compliant with applicable building code requirements.

4. Affordable Units

A short-term rental permit may not be issued for a permanently (e.g., deed restricted) affordable dwelling unit.

D. Generally Applicable Requirements

1. Use

Short-term rentals shall be used for lodging purposes only and may not be used for commercial purposes or large social events such as weddings or family reunions. These events may be held where permitted by special review. Note: Wedding or social event guests may be lodged in a short-term rental but the event itself must be held in a permitted location or structure.

2. Other Licensing

In addition to the short-term rental permit, the owner shall obtain a business license from the Finance office.

3. Contact Information

- a. The short-term rental permit with all local contact information and emergency safety information shall be prominently displayed within the short-term rental unit.
- b. During the term that a short-term rental unit is occupied by a guest(s), the owner and/or a local contact person designated by the owner, as identified in the short-term rental permit application, shall be available 24 hours per day, seven days per week, for the purpose of responding to complaints regarding the condition or operation of the short-term rental unit or the conduct of short-term tenants. If the local contact person designated by the owner changes, then the owner shall update the permit on file.

4. Advertising

All short-term rental advertising shall include the Billings' Short-Term Rental Permit number.

5. Health, Safety, and Code Compliance

- a. Short-term rental units must contain smoke detectors, fire extinguishers and CO2 detectors; and shall remain compliant with all zoning, building, fire, noise, and other applicable city and state codes.
- b. Guests shall be instructed to park in private driveways first, with overflow parking on the street where permitted. Parking on-site in non-driveway areas (e.g., setbacks or yards) shall be prohibited.
- c. No meals shall be prepared for or be served to the short-term tenants by the owner or the owner's agents. Note: Preparation or service of meals by the owner or owner's agent may

constitute the creation of a boardinghouse or bed and breakfast. These uses are allowed only within certain zone districts either by right or by special review approval of the City.

- d. The owner shall maintain weekly residential trash collection services. Garbage/refuse containers shall not be left out at the collection point 24 hours after collection and property shall be free of trash and debris.

E. Short-Term Rental Permit

1. Application Contents

In addition to any other information prescribed by the Zoning Coordinator, an application for a short-term rental permit shall include the following information:

- a. Contact information for the owner (person, trust, or corporation) of the property.
- b. Contact information for the owner's local contact person, who has authority to fix any problems or violations of this chapter, who is available 24 hours a day, seven days a week, at a phone number provided to both the City and any person staying at the property.
- c. Attestation and agreement to comply with the requirements of this section.
- d. Identification of all dwelling units that will be rented on a short-term basis.
- e. The URL (i.e., the website address) for any and all advertisements of the short-term rental of the property.
- f. Proof of building code compliance for single family attached and detached units. If seeking a short-term rental permit in a multifamily structure that is not a multi-unit attached single family structure that complies with building code standards for townhomes, proof of ownership of entire building must be provided with the application.

2. Duration and Renewal

- a. Short-term rental permits shall be issued for one year and must be renewed annually.
- b. An application to renew a short-term rental permit should be received by the Zoning Coordinator not less than thirty days prior to the expiration of the short-term rental permit.

3. Review Criteria

The Zoning Coordinator shall review a new or renewal application for a short-term rental permit for compliance against the criteria listed below. The Zoning Coordinator may deny a short-term rental application or renewal application if any of the following issues are found:

- a. The property has any unresolved code enforcement violations, including issues unrelated to the short-term rental.
- b. The property is not in compliance with all applicable Zoning Code requirements, any permit requirements, or where applicable, any fire, building and safety, or other relevant laws and ordinances.
- c. The applicant has knowingly made any false, misleading, or fraudulent statements of material fact in the application, or in any report or statement required to be filed that is related to the application.
- d. The property that is the subject of the application is not available for immediate rental on a short-term basis consistent with the requirements of these regulations.
- e. The property owner's business license is not current.

4. Effect of Denial

- a. If an application for a new or renewal short-term rental permit is denied, the Zoning Coordinator may not approve a new application for that applicant and location for a 30-day period after the denial unless the Zoning Coordinator determines that the reason for the denial has been cured or no longer exists.
- b. An applicant who has requested review based on cured circumstances but is again denied, may appeal the administrative denial to the Board of Adjustment. Please see Section 27-1616, Appeal of an Administrative Decision.

5. Revocation

- a. The Zoning Coordinator may revoke a short-term rental permit if any of the issues identified in the Section E.3 review criteria are substantiated during the term of permit.
- b. The Zoning Coordinator shall give written notice of the pending revocation to the permit holder and any named local manager or long-term tenant listed on the permit. The permit holder will have 30 days to bring the property into compliance.
- c. A permit holder who is in violation is prohibited from taking any further or future reservations.
- d. If a short-term rental permit is revoked, the short-term rental of the property must cease immediately and the unit shall not be rented for a period of 30 days from the date of revocation unless the Zoning Coordinator determines that the reason for the revocation has been cured or no longer exists.